



# Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>155,876</b>	92,198
Adjustments for:		
Depreciation	<b>25,434</b>	24,814
Amortisation of land use rights	<b>791</b>	614
Amortisation of goodwill	<b>2,222</b>	556
Surplus on revaluation of investment properties	<b>(580)</b>	(386)
Surplus on revaluation of leasehold land and buildings, net	<b>(1,995)</b>	(1,839)
Loss on disposal of property, plant and equipment, net	–	33
Gain on disposal of subsidiaries	<b>(76,651)</b>	–
Loss on disposal of interest in a jointly controlled entity	<b>9,410</b>	–
Interest income	<b>(159)</b>	(377)
Allowance for (recovery of) bad and doubtful debts	<b>3,244</b>	(7,714)
Finance costs	<b>4,463</b>	3,178
Share of results of jointly controlled entities	<b>(7,833)</b>	(6,847)
Share of result of an associate	<b>(4,562)</b>	(5,251)
Operating cash flows before movements		
in working capital	<b>109,660</b>	98,979
Increase in inventories	<b>(39,309)</b>	(11,334)
Increase in trade and bills receivables	<b>(39,885)</b>	(32,550)
(Increase) decrease in prepayments, deposits and other receivables	<b>(5,231)</b>	690
Increase in amounts due from related companies	<b>(656)</b>	(991)
Increase in trade and bills payables	<b>202</b>	2,759
Increase (decrease) in other payables and accruals	<b>965</b>	(451)
Cash generated from operations	<b>25,746</b>	57,102
Interest received	<b>159</b>	377
Interest paid	<b>(6,509)</b>	(2,014)
Interest element on finance lease payments	<b>(34)</b>	(64)
Other finance costs paid	–	(1,100)
Hong Kong Profits Tax (paid) refunded, net	<b>(16)</b>	7
PRC taxes paid, net	<b>(5,494)</b>	(6,444)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>13,852</b>	47,864

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For the year ended 31 December 2004

	NOTE	2004 HK\$'000	2003 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(154,080)</b>	(29,035)
Dividend received from a jointly controlled entity		<b>6,273</b>	7,819
Proceeds from disposal of interest in a jointly controlled entity		<b>4,177</b>	–
Dividend received from an associate		<b>3,047</b>	3,809
Proceeds from disposal of subsidiaries	30	<b>500</b>	–
Proceeds from disposal of property, plant and equipment		<b>39</b>	2,526
Acquisition of additional interests in subsidiaries		–	(148,604)
Increase in pledged bank deposits		–	(1,000)
Deposits paid for the acquisition of property, plant and equipment		–	(25,541)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(140,044)</b>	(190,026)
<b>FINANCING ACTIVITIES</b>			
New bank loans raised		<b>164,338</b>	72,171
Increase in trust receipt loans		<b>41,789</b>	20,415
Proceeds on issue of ordinary shares		<b>1,656</b>	102,405
Repayment of bank loans		<b>(36,210)</b>	(5,655)
Dividend paid		<b>(34,939)</b>	(15,238)
Payment on repurchase of shares		<b>(4,257)</b>	–
Repayment of obligations under finance lease		<b>(922)</b>	(442)
Repayment of loans from minority shareholders of subsidiaries		–	(25,964)
Share issue expenses paid		–	(3,950)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>131,455</b>	143,742
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>5,263</b>	1,580
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>27,992</b>	26,412
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>33,255</b>	27,992
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		<b>33,255</b>	27,992